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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1943

NO. 331

PENNINGTON ENGINEERING COMPANY,
Petitioner,

vs.

HOUDE ENGINEERING CORPORATION,
Respondent.

RESPONDENT'S REPLY TO PETITION FOR CERTIORARI.

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THE TWENTIETH CENTURY PRESS, INC., CHICAGO

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On page 2 of its petition, the petitioner states that "only claim 37 need be considered." Possibly the reason for petitioner's desire to limit consideration to claim 37, is based upon the fact that Judge Hand, in his dissenting opinion, stated that "dowels are not part of claim 37."

After enumerating several elements which enter into the claimed combination, claim 37 (Rec. p. 775) includes:—

> "means for securing the three said casing parts together in fixed relation."

The other claims which were before the Circuit Court of Appeals, were claims 27 and 28 (Rec. p. 774). The "dowels" which Judge Hand was talking about are not mentioned specifically in any of the claims that were before the Circuit Court of Appeals. However, in the Pennington structure it is his "dowels" that secure the three parts together in fixed relation.

Claim 27, just like claim 37, after enumerating several elements of the claimed combination, includes:—

> "means for securing the three said casing parts together."

Claim 28 likewise includes:—

> "means for securing the three said casing parts together."

We see no reason for making any distinction between claims 27, 28 and 37. They are all alike in that respect.

Throughout the pendency of this case, it has been the petitioner that has been trying to read the "dowels" into the case. It has been the petitioner-plaintiff that has continuously insisted that the "means for securing the three said casing parts together" are the "dowels", and, based upon that position, petitioner has contended that the provision of the "dowels" for that purpose, constituted an important feature of the alleged invention.

In the first opinion rendered by Judge Knight, on page 989 of the printed record, he included as one of "the essential mechanical elements", the following:—

> "the three secured together in fixed relation to each other by dowel bolts and cap screws."

Judge Knight undoubtedly made that statement because of the great stress petitioner had placed upon its "dowel bolts" as being an important feature of Pennington's alleged invention.

Judge Hand, in his dissenting opinion, pointed out that claims 27, 28 and 37 use "general language" at that point.

One has but to review the pages and pages of petitioner's testimony where its expert labored long and laboriously to stress an alleged importance in Pennington's "dowels", to see how much reliance petitioner placed upon these "dowels" as contributing patentability to these claims.

PRIOR ART.

Judge Hand also referred to the prior art patents to Taylor, No. 1,438,507 and to Sutton, No. 1,341,395, and said:—

> "Although in *each* the *defects* in mounting could have been readily amended, nevertheless under well settled law, neither as it stood was an anticipation, for each was *utterly unworkable;* it would have gone to pieces upon the first long drive." (Emphasis ours.) (Rec. 1244.)

There was a defect in the mounting which is shown in the Taylor patent (Rec. 825). That mounting defect, as Judge Hand said, "could have been readily amended."

But even the petitioner has never contended that the Sutton patent shows any defect in mounting. No such defect is either shown or suggested in that Sutton patent (Rec. 1182). The Sutton specification, lines 52 to 90 on page 1184 of the record, describes a strictly standard and proper mounting. Judge Hand's incorrect statement concerning the Sutton patent shows that he was not sufficiently familiar with what that patent discloses. There is no justification whatever for his statement that "it would have gone to pieces on the first long drive."

PENNINGTON'S CONTRIBUTION IS NOT "REVOLUTIONARY".

Judge Hand's dissenting opinion then erroneously treated "the Pennington contribution" as being "revolutionary."

The record conclusively establishes the fact that no Pennington shock absorber was ever sold by Pennington (Finding of Fact No. 19, Rec. 1221) or by anyone else. Pennington himself admitted that none of his shock absorbers had ever been "manufactured in production" and that only "exemplary productions" had been made. (Rec. 70.)

There is no evidence to support Judge Hand's expressed belief that the Pennington shock absorbers had superseded all others. Petitioner states in its petition, page 6, that respondent "stopped such construction when sued by petitioner, at the end of 1938."

Therefore, according to petitioner's own contentions, even respondent's own accused shock absorbers had not "superseded all others," as stated by Judge Hand. Respondent's 1939 models, and models which came out subsequent thereto are not charged to be infringing. Pennington's shock absorber never "superseded" anything because it has never been used by anyone commercially. But even petitioner's statement that respondent stopped production in 1938 is not entirely correct. Respondent still makes the same shock absorbers for replacements. It did change its current models thereafter to an improved form.

By arriving at the erroneous conclusion that respondent's shock absorbers infringed, and by erroneously considering respondent's sales of its own shock absorbers to be sales of Pennington shock absorbers, Judge Hand erroneously gave Pennington credit for respondent's sales.

RESPONDENT'S SHOCK ABSORBERS WERE NOT FAILURES.

Before leaving this dissenting opinion of Judge Hand, upon which petitioner so strongly relies, we wish to point out one other mistake of fact which Judge Hand expressed upon page 1245 of the record. He there stated, referring to respondent:—

> "Again and again it tried in one way after another to fix separate abutments into the chamber; and again and again it failed."

The record, on page 361, establishes the fact that before respondent made any of the accused shock absorbers, it had sold 24,000,000 of the kind which Judge Hand char-

acterizes as "failures". Those 24,000,000 shock absorbers all had the separate abutments fastened in one way or another. Judge Hand characterizes all of them as "fumblings". But they had become standard equipment on many types of cars, including Fords.

Regardless of what Judge Hand may say about those 24,000,000 shock absorbers, nobody could sell to the large automobile manufacturers that many "failures" for standard equipment on their cars. The automobile companies just do not do business that way.

The real fact is that all of those 24,000,000 shock absorbers were highly successful, and were famous, not only in this country, but throughout the world as outstandingly good, efficient shock absorbers.

In order to try to make its unused shock absorbers appear better than they really are, petitioner has conjured up a lot of fantastic *theories* of alleged "failures" by respondent, absolutely none of which *theories* harmonize with the record facts.

Judges Chase and Frank were not confused by petitioner's fallacious theories, and they were not misled by petitioner's erroneous arguments. Judge Knight was confused by petitioner when he wrote his first opinion which appears at page 984 of the printed record. That confusion was removed during the rehearing which he granted, so that, when he wrote his Opinion on Rehearing (Rec. 1187), he had and expressed, a full and clear understanding of the case.

The opinion of the Circuit Court of Appeals, written by Judge Chase (Rec. 1234), shows that the Court gave careful consideration to the case and fully understood it. Every statement of fact which appears in that majority opinion is fully supported by the record in this case, and the conclusions reached are sound.

PETITIONER'S PRINCIPAL CONTENTION.

On page 3 of its petition, the petitioner states that its reasons for the grant of the writ of certiorari "rest in essential part" upon the fact that the Circuit Court of Appeals "set aside an important finding of fact." The Finding of Fact to which petitioner refers is No. 18 which appears upon page 1220-1 of the printed record.

If that finding of fact means what petitioner contends that it means, it should have been set aside and disregarded by the Circuit Court of Appeals.

Judge Knight filed his Opinion on Rehearing on December 8, 1941 (Rec. 1201). On December 16, 1941 he filed his Findings of Fact and Conclusions of Law which begin on page 1201 of the printed record.

On January 7, 1942 petitioner filed its Motion for Enlargement of Findings of Fact and Conclusions of Law (Rec. 1207). On January 21, 1942, Judge Knight filed some Additional Findings of Fact (Rec. 1219), of which Finding No. 18, mentioned above, is a part. This finding was one of those suggested by petitioner.

In the memorandum (Rec. 1215) which accompanied petitioner's Motion for Enlargement of Findings of Fact and Conclusions of Law, petitioner stated:—

> "It is noted first, that plaintiff's attorneys have been careful in drafting the accompanying findings and conclusions to avoid any statement in conflict with the rulings in the Court's opinion filed December 16, 1941."

Whether respondent's accused structures are mere duplications of single vane constructions, or whether petitioner's claims must be limited to the single vane, eccentric type of construction, are conclusions based upon the Pennington patent itself, upon the prior art, and upon the other facts shown in the record. The petition challenges only

findings of fact. Petitioner is merely asking a review of the facts in the hope that this Court might reach a different conclusion based upon those facts.

The Circuit Court of Appeals, having all of those facts before it, was fully as capable of analyzing those facts and reaching its conclusions as was Judge Knight. The Circuit Court of Appeals was not bound by the conclusions reached by Judge Knight on those questions.

The Circuit Court of Appeals reached the same ultimate conclusion that Judge Knight reached,—that there is no infringement,—and affirmed the decree entered by Judge Knight.

Petitioner is taking the position now that Additional Finding of Fact No. 18 forces a finding of infringement, although, in the Memorandum accompanying its suggestion of that finding (Rec. 1215), it represented to Judge Knight that the suggested finding is not "in conflict with the rulings in the Court's opinion." One of the "rulings" in that opinion is the Court's finding of non-infringement.

CONCURRENT DECISIONS BASED ALSO ON OTHER GROUNDS.

Both Judge Knight and the Circuit Court of Appeals found that respondent did not embody in the accused shock absorbers anything that was not fully justified by the prior art. (See Original Finding of Fact No. 10, Rec. 1204-5, and see Opinion of Circuit Court of Appeals, Rec. pp. 1242, 1243 and 1244.)

Regardless of what interpretation might be given to Additional Finding of Fact No. 18, and regardless of whether the conclusions there reached are right or wrong, the decision of Judge Knight and the decision of the Circuit Court of Appeals were *also* based upon the findings of *both* courts that respondent's shock absorbers made use

only of things from the prior art that it had a right to use, regardless of Pennington.

We are sure that this Court would not be interested in reviewing concurrent decisions of non-infringement, based upon more than one ground, where only one of those grounds is being seriously attacked. This is particularly true where petitioner is *merely seeking a review of the evidence and the inferences drawn from it.* In *General Talking Pictures Corp.* v. *Western Electric Co.*, 304 U. S. 175, this Court said, on page 178:

> "Granting of the writ would not be warranted merely to review the evidence or inferences drawn from it. *Southern Power Co.* v. *N. C. Public Service Co.*, 263 U. S. 508. *United States* v. *Johnston*, 268 U. S. 220, 227. Moreover, the decision on that point rests on concurrent findings. They are not to be disturbed unless plainly without support. *United States* v. *Chemical Foundation*, 272 U. S. 1, 14. *United States* v. *McGowan*, 290 U. S. 592. *Alabama Power Co.* v. *Ickes*, 302 U. S. 464."

On page 1199 of the record, Judge Knight correctly stated:

> "The prior art leaves nothing of patentable novelty which could have been derived by the defendant from the plaintiff."

While the Circuit Court of Appeals did not say it in exactly those same words, it did, on pages 1241, 1242, 1243 and 1244 of the record, point out, with respect to each contention made by the petitioner, that respondent did only what was fully justified by the prior art, regardless of Pennington.

If Pennington's claims cover that, they are invalid. If Pennington's claims are properly limited to what Pennington actually did, they are not infringed. That was the opinion of both Judge Knight and of the majority of the judges of the Circuit Court of Appeals.

PENNINGTON PATENT IS NOT A BASIC PATENT.

Judge Knight said (Rec. 1200):

> "The Pennington patent is not a basic patent."

The Circuit Court of Appeals said (Rec.1244):—

> "Those claims are not cover-all blankets but are to be read in the light of the specifications and the prior art."

It would unduly lengthen this reply if we were to take each of the errors in petitioner's petition and its accompanying memorandum and specifically discuss each of them. They all relate to the facts and the inferences drawn therefrom. We have discussed several of them in the foregoing general discussion.

DOWELS.

On page 8 the petitioner charges that both the District Court and the majority of the Circuit Court of Appeals read limitations (the "dowels") into the claims. Throughout this entire case petitioner has continuously stressed Pennington's "dowels" as being an important part of Pennington's alleged inventive concept. Petitioner pointed out those "dowels" as being the "means for securing the three said casing parts together." When the Sutton patent No. 1,341,395 (Rec. 1181) forced petitioner away from its "integral abutment" theory, petitioner stressed, with even greater vehemence, its "dowels" as lending patentability to its claims.

Petitioner is now criticizing Judge Knight and Judges Chase and Frank for *allegedly* reading "dowels" into the claims. Petitioner tries to make a "mountain" out of its "dowels" on the question of invention, but does not want those very same "dowels" considered on the question of infringement.

In Pennington's complicated problem of assembly and alignment, present in Pennington's shock absorbers but completely absent in respondent's accused shock absorbers, Pennington's "dowels" assisted him in working out a solution of his particular problem.

During the progress of this case, petitioner first insisted that the pins used by respondent (shown in white in Figures numbered 2 on pages 802, 803 and 804 of the printed record) which pass through the abutments and into the casing, responded to petitioner's dowels. Petitioner prepared and introduced into evidence elaborate colored claim charts, Plaintiff's Exhibits 16, 17 and 18, upon which petitioner makes the foregoing contentions. Petitioner's expert, Mr. Fishleigh, testified about these charts beginning on page 225 of the printed record. We call particular attention to his testimony on page 228, where, under his discussion of "Element No. 8," he took the position that these "pins 5 and clamping ring 4," are the same as Pennington's "dowels" and respond to Pennington's means clauses in his claims.

Petitioner was forced to abandon that contention and now argues, at the top of page 27 of its petition, that the fancifully named "dowel surface" on the respondent's inserted ring and the cup in which it is pressed respond to Pennington's "dowels."

On page 26 of its petition, petitioner states:—

> "Thus the novel double function of the Pennington securing means is performed in petitioner's and respondent's absorbers by similar parts that operate in substantially the same manner. That is, in both cases screw threaded means engaging the rear and front casing parts draw those two parts together and clamp the intermediate part between them, and dowel surfaces accurately preformed and located on each of the three

> casing parts serve, when the parts are assembled, to axially align those parts and hold them against relative displacement laterally of the axis."

To understand just what petitioner is talking about would take up a considerable amount of space in this memorandum. The Circuit Court of Appeals accurately analyzed this part of respondent's shock absorbers beginning in the last line at the bottom of page 1242 of the printed record.

The ring to which the Circuit Court of Appeals there referred, is shown on page 986 of the record as the second part from the left in the bottom row. The cup, into which that ring is pressed under tons of pressure (Rec. 364) is shown at the extreme left in the bottom row on said page 986. A side view of that cup can be seen on pages 802, 803 and 804 of the printed record.

No wonder that petitioner now wants to get its once important "dowels" lost in the shuffle. It made full use of them as a basis for claiming invention. It first tried to find them in respondent's shock absorbers in the pins used by respondent, but it has realized the futility of that contention. Petitioner now tries to find a "dowel surface" on respondent's ring member. By that expression, "dowel surface", petitioner can mean only a *tight fit*,—something that is so old in the mechanical arts that "the memory of man runneth not to the contrary."

Petitioner now tries, for the first time, to argue infringement of Pennington's *article* claims because respondent, in making its ring member, makes it large enough that it will fit tightly into respondent's cup. Petitioner has finally been forced to reduce its contentions to a point where their absurdity is clearly apparent.

PETITIONER'S THIRD REASON.

The amended complaint in this case charges (Rec. 15) that when Pennington met representatives of respondent in Cleveland, they secured from petitioner

> "a very full and detailed disclosure of said improvements described and claimed in the said letters patent No. 2,009,677."

The evidence does not show that anything else, then unknown to respondent's representatives, was disclosed to them by petitioner. Petitioner tried to build up a picture which might make it appear that respondent's representatives were absurdly ignorant with respect to the most elementary mechanical and manufacturing questions, and that Mr. Pennington taught them these rudimentary matters. Of course, that is definitely not true.

We could, if it were at all necessary, point out where the record in this case shows that the art of broaching was very old; that the respondent had broaching machines in its plant before it ever heard of Mr. Pennington, and that respondent's expert, Mr. A. P. Brush, worked on a broaching machine in 1900 (Rec. 628).

We could also point out that "dowels", "dowel surfaces", tight fits, and all of the other things which petitioner talks about were extremely old.

Furthermore, Pennington had disclosed these same things, including the disclosure now contained in his patent, to 16 or 17 other concerns (Rec. 58), and really had nothing that was *secret* when he talked with respondent's representatives.

When the patent issued, those things were no longer secret, even if Pennington had kept them secret, which he did not, up to that time.

Since the things which he did disclose to respondent were only the things disclosed in his patent, and since respondent does not infringe any of the claims of Pennington's patent, it is obvious that petitioner is not entitled, under petitioner's "Third Reason", to a greater monopoly than the Patent Office would give him.

On page 28 of the petition, petitioner asserts that Pennington's alleged "confidential disclosure" included his methods of manufacture with respect to "broaching" and his "assembly plug". Both of those are disclosed in his patent. Pennington was not able to secure any *method* claims in his patent, but, regardless of his inability to get method claims, he now asserts a right to a monopoly far greater than method claims, if obtainable, would have given him.

Pennington's "assembly plug" was, as petitioner states on page 28, "highly important" in the building of Pennington's single vane, eccentric shock absorber. It would be absolutely useless in building respondent's shock absorbers, and it has never been used by respondent in any form. Respondent has never used anything which bears even a slight resemblance to Pennington's "assembly plug".

Respondent controls its alignment in just exactly the same way that it took care of its alignment in the 24,000,000 shock absorbers which it sold before it ever heard of Pennington,—by making its shock absorbers *concentric*. When concentric parts are fitted together, there is no problem of axial alignment and there never has been any such problem.

Pennington's problem was that of controlling alignment in an eccentric shock absorber. That is a real problem, and that is the *only* problem that Pennington disclosed or even worked upon, as pointed out by the Circuit Court of Appeals in its opinion.

Petitioner has gone so far as to argue that an "arbor", used by respondent on one of its machines that makes its rings, is the equivalent of Pennington's "assembly plug". These "arbors" have been in use by manufacturers for many more years than Pennington has lived. Furthermore, respondent's "arbors" are not related in any way to Pennington's "assembly plug".

An "arbor" is merely something which holds a piece of work on a machine in a definite, fixed position while some cutting or grinding operation is being done upon that piece. If the holding device grips the piece by gripping the outside of the piece, it is called a "chuck". If the piece to be worked upon is hollow, and the holding device enters the hollow part and grips the piece on the inside, so that work can be done upon the outside of the piece, it is called an "arbor". Both "chucks" and "arbors" have been used on lathes for a great many years. Neither of them bear any relationship to an "assembly plug" in structure, in operation, or in the results obtained.

NO BASIS FOR CERTIORARI.

This case is merely an ordinary patent infringement case and it presents no unusual questions. There is nothing exceptional about this case.

Layne & Bowler Corporation v. *Western Well Works*, 261 U. S. 387.

Petitioner has a very limited patent which is applicable to only one specific type of shock absorber. That one specific type of shock absorber is the only one which even presents the problem which Pennington sought to solve. But even after Pennington had made his solution of that one specific problem,—alignment in that specific type of shock absorber,—he disclosed it to fifteen or more of the

large manufacturers of automotive equipment, and none of them had any desire to even try to market Pennington's eccentric shock absorber.

Those eccentric type shock absorbers have so many other disadvantages that, while Pennington may have improved the alignment in them, there were still so many other things wrong with them that no one wanted to make them.

Pennington merely made the mistake of devoting his efforts to the improvement of something which no one was willing to build, even after Pennington had improved upon one of its many disadvantages.

After peddling his idea to substantially all of the automotive parts manufacturers, and after failing to get a response from any of them, Pennington,—unwilling to accept the verdict of the industry,—conceived the idea of trying to stretch his claims and to try to make them read upon the shock absorbers being sold by the largest manufacturer of shock absorbers in the world,—the respondent.

When Pennington filed his patent application, he had big visions of how the eccentric type shock absorber was superior to all others. In his patent on page 8 (Rec. p. 764) column 1, lines 59 to 72, Pennington stated:

> "That is to say, the single vane form of construction is peculiarly adapted to furnish the very great resistance capacity necessary for such service since with it the necessary capacity can be secured with a casing structure smaller, more compact, lighter in weight and less costly than is possible where a multiple vane construction is used, because the capacity of a vane type piston varies as the square of its means effective radius and my studies have shown that because of this principle a distinctly higher degree of compactness can be obtained for high capacity shock absorbers by the use of a single vane piston."

Respondent has never made a single vane, eccentric type of shock absorber, and has no desire to ever make any. Its shock absorbers have always been concentric, double vane shock absorbers which present no alignment problems, and which do not possess the other disadvantages of the single vane eccentric type.

Pennington, in an effort to cover exactly what he discarded when he filed his application, now tries to claim credit for what he discarded. He tries to do that by a wholly unwarranted stretching of his claims. He wholly disregards what he really did; paints an elaborate picture of old and well known mechanical processes and expedients, and tries to monopolize the use of them in a field which is wholly foreign to the limited field in which he worked and in which alone he found his problem.

Just exactly what petitioner is trying to do in this very case is one of the abuses of our patent system. Large manufacturers are frequently forced to spend large sums of money defending themselves against exaggerated and wholly unwarranted claims of inventors who find that what they invented is worthless, and who then try, by stretching and distorting their patents, to collect tribute to which they have no moral or legal right.

That practice of some inventors is not new. This Court condemned it many years ago in *White* v. *Dunbar*, 119 U. S. 47, where this Court pointed out that a claim in a patent is *not* "like a nose of wax which may be turned and twisted in any direction."

Petitioner's whole case is founded upon its objection to having its claims appraised at what they really are. Both the District Court and the Circuit Court of Appeals considered the evidence and correctly interpreted it. Petitioner is merely asking this Court to do the same thing over

again,—to consider the evidence and interpret it,—and petitioner has failed to show any reasonable basis for making such a request.

CONCLUSION.

We submit that the petition sets forth no basis for the issuance of the writ which it prays. No question of public importance is presented. The decisions below are in complete harmony with the decisions of this Court.

We submit that the petition should be denied.

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